

Senator Olympia J. Snowe
Chair, Senate Committee on Small Business and Entrepreneurship
HEARING
“The Nomination of Jovita Carranza as SBA Deputy Administrator”
December 6, 2006
Opening Statement

Good afternoon and thank you all for being here today to consider Jovita Carranza, the President’s Nominee to be the Deputy Administrator of the Small Business Administration. Ms. Carranza, I welcome you and your husband, Joel, to the Senate Committee on Small Business and Entrepreneurship. And of course I am pleased to have Senator McConnell, the current Majority Whip and the incoming Minority Leader – here to introduce Ms. Carranza, who resides in Louisville Kentucky. Welcome to the Committee!

I would also like to take this opportunity to thank our Ranking Member, Senator Kerry. We’ve had a strong, longstanding bipartisan tradition that I’m very proud of on this Committee, and as we transition to the 110th Congress, I look forward to continuing this tradition and working closely with the incoming Chairman.

The SBA is at critical juncture, and this nomination provides an opportunity to redeem the agency with *new leadership*, a *new management team* and a *new vision* to help the agency meet the evolving needs of today’s 21st century small businesses. And I truly believe that Jovita Carranza is yet another outstanding example of a dedicated American making a tremendous sacrifice to serve her country by accepting this nomination to help lead the SBA – an agency that is *essential* to the well-being of our nation’s economic vitality.

Ms. Carranza has dedicated her professional career with United Parcel Service (UPS) ,working her way up from a part-time, night-shift clerk in Los Angeles in 1976, to regional manager for international relations in Miami in 2000. Throughout her distinguished tenure at UPS, Ms. Carranza was steadily promoted, working as a workforce planning manager, human resources manager, district shipping hub manager, and then a national manager.

So, Ms. Carranza, I want to take this opportunity to compliment you for such a sterling and lengthy career with UPS. Your work experience and your dedication to excellence and success truly epitomizes the “American Dream.” Your story proves that hard work and commitment are the key to professional achievement – and that’s certainly true with regard to our nation’s small business owners as well. If confirmed to be the next Deputy Administrator of SBA, your background in personnel management and business processes will greatly assist Administrator Steven Preston as he seeks to overhaul the SBA’s Compensation and Benefits system and improve and standardize the agency’s program management systems.

Small businesses are one of the largest customer bases for UPS, and throughout her career, Ms. Carranza actively addressed small business concerns and the requirements for small businesses to compete in the global marketplace. Her initiative included providing financing to small businesses; consulting services on how to reduce shipping costs; and assistance with disaster contingency plans. If confirmed to be the next SBA Deputy Administrator, Ms. Carranza would bring a unique small business experience and perspective.

Ms. Carranza received her Masters of Business Administration (MBA) from the University of Miami and, also has had executive, management, and financial training at the INSEAD (EN-SEE-ODD) Business School in Paris, France, the University of Michigan, and the University of Chicago. Ms. Carranza has also served as a board member for the National Center for Family Literacy and the United Way, and she is active in several organizations that support various children's and urban causes. For her accomplishments, Ms. Carranza was named Hispanic Business Magazine's "Woman of the Year" in 2004.

The SBA is an essential resource for our nation's 25 million small businesses, significantly contributing to America's economic growth and job creation. If confirmed, Ms. Carranza's 30 years of business experience at the UPS will be tested with a number of critical issues that continue to plague the SBA including: (1) agency morale problems; (2) a shrinking SBA budget - **by an *alarming* 37 percent since 2001**; (3) upgrading the SBA's disaster response plan; and (4) ensuring that small business remain competitive in the Federal contracting arena.

The SBA argues that it "does more with less" but the agency's resources and employees are stretched too thin, resulting in low morale and the inability for the agency to *shine at the most critical moments* – such as during the aftermath of the 2005 Gulf Coast Hurricanes. We cannot, on one hand, cite how important small businesses are to our country and our economy, and, on the other hand, refuse to support the SBA with the resources required to meet its missions!

The American economy requires a strong and vibrant SBA, especially given that small businesses represent 99 percent of all employers, create nearly 75 percent

of all net new jobs, and employ 51 percent of the private-sector workforce. And this year, the Committee had an opportunity to revitalize and revamp the SBA's programs through the Small Business Reauthorization and Improvements Act of 2006 – comprehensive bipartisan legislation which passed the Committee unanimously and featured sweeping reforms to improve the efficiency and effectiveness of the SBA and its program.

However, I deeply regret that this legislation – which contains vital provisions to expand SBA's Historically Underutilized Business Zones, and reauthorizes the Microloan program – did not pass the full Senate. In the meantime, our nation's small businesses continue to wait to receive the benefits of improved SBA services that are contained in this bill.

More importantly, this legislation includes disaster provisions which provided the SBA with the tools necessary to fully assist and aid America's small businesses. I have worked closely with a bipartisan group of Senators – including Senators Kerry, Vitter, and Landrieu, in addition to the SBA – to design this disaster legislation and I am pleased to announce that a product of our efforts will be introduced today in a separate bill. This legislation will remedy the problems that prevented or delayed the agency's front-line employees working in the disaster zones from aiding victims during the 2005 Gulf Coast Hurricanes, and provides the SBA with the ability to provide a more comprehensive and aggressive response to future disasters.

Under new Administrator Steve Preston, the SBA is moving in the “right direction” and has recently implemented a new “*Accelerated Disaster Response Initiative*”, a streamlined and improved disaster loan process which includes a “90-in-

45" campaign with the goal of resolving 90,000 undisbursed loans within 45 days. I look forward to hearing from Administrator Preston on the results of this vital program.

These are only a few of the challenges that face the SBA. With a new management team and strong leadership the SBA will successfully fulfill its obligation to America's small businesses. Congress and the Deputy SBA Administrator must ensure that the spirit of entrepreneurship remains strong in America, and we should always give small businesses the support they need to thrive.

The bottom line is, our country's future will be determined by today's small businesses. By strengthening the SBA, our nation's small businesses – the backbone of our economic foundation will continue to thrive. I hope we can move forward quickly with Ms. Carranza's nomination.

I now recognize Ranking Member Kerry for his opening statement.